

Message Text

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PAGE 01 STATE 194250

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ORIGIN EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 ISO-00 CIAE-00

COME-00 DODE-00 DOTE-00 FMC-01 INR-07 NSAE-00 CG-00

OFA-01 DLOS-04 STR-04 TRSE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 /095 R

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APPROVED BY EB/TT/MA:RKBANK

EA/PHL:RTWILLNER

FMC:RSHREVES

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R 152833Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MONROVIA

AMEMBASSY OSLO

AMEMBASSY PANAMA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMEMBASSY HELSINKI

AMEMBASSY ATHENS

USMISSION EC BRUSSELS

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E.O. 11652:N/A

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PAGE 02 STATE 194250

TAGS: EWWT, RP

SUBJECT: SHIPPING: PHILIPPINE DISCRIMINATION, PRESIDEN-
TIAL DECREE 667: FORMAL FMC REQUEST TO DEPARTMENT OF STATE

REF: A) STATE 162291
B) MANILA 10860, NOTAL

1. SUMMARY. FEDERAL MARITIME COMMISSION (FMC) HAS
OFFICIALLY REQUESTED STATE DEPARTMENT TO OBTAIN GOP
WITHDRAWAL OF PD 667. IF THIS NOT ACCOMPLISHED
BY OCTOBER 12, 1975, FMC WILL INITIATE FORMAL
SECTION 19 ACTION REQUIRING PHILIPPINE FLAG VESSELS TO
FILE COMPLETE MANIFESTS ON ALL CARGOES CARRIED BETWEEN
U.S. AND PHILIPPINES AND PAY AN EQUALIZATION FEE, THE
PURPOSE OF WHICH WILL BE TO NEGATE THE TAX BENEFITS
OF PD 667 TO THE SHIPPERS OF THE CARGO. END SUMMARY.

2. DEPARTMENT HAS RECEIVED FOLLOWING LETTER FROM FMC
DATED AUGUST 13, 1975:

QUOTE

DEAR MR. SECRETARY:

AT ITS MEETING OF AUGUST 13, 1975, THE FEDERAL
MARITIME COMMISSION ADOPTED THE ATTACHED REGULATION
UNDER THE AUTHORITY GRANTED BY SECTION 19 OF THE MERCHANT
MARINE ACT OF 1920 (46 U.S.C. 876). AS SPECIFIED IN THE
FEDERAL MARITIME COMMISSION REGULATIONS ISSUED
PURSUANT TO SECTION 19, A COPY OF WHICH IS ATTACHED, WE
ARE FORWARDING FOR YOUR INFORMATION THE ATTACHED
REGULATION.

WE REQUEST THAT THE STATE DEPARTMENT OBTAIN FROM THE
PHILIPPINE GOVERNMENT A WITHDRAWAL OF PRESIDENTIAL DECREE
NO. 667 IN ITS ENTIRETY PRIOR TO THE INSTITUTION OF
FORMAL COMMISSION ACTION. BY THIS LETTER AND IN
ACCORDANCE WITH THE AFOREMENTIONED COMMISSION RULES,
I AM HEREBY NOTIFYING YOU OF THE COMMISSION'S INTENT,
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PAGE 03 STATE 194250

SHOULD THE DEPARTMENT'S DIPLOMATIC EFFORTS BE UNSUCCESSFUL,
TO PUBLISH THE ATTACHED REGULATION IN THE FEDERAL
REGISTER SIXTY (60) DAYS HENCEFORTH, THEREBY INITIATING
FORMAL COMMISSION ACTION IN THIS MATTER.

SINCERELY,

HELEN DELICH BENTLEY

CHAIRMAN

UNQUOTE

3. DEPARTMENT HAS POUCHED COPY OF CHAIRMAN BENTLEY'S LETTER AND ATTACHMENTS TO MANILA. PRINCIPLE THRUST OF FMC'S REGULATION TO BE PUBLISHED IN FEDERAL REGISTER ON

OCTOBER 12 IS THAT THE OWNERS OF PHILIPPINE FLAG VESSELS CARRYING EXPORTS AND IMPORTS BETWEEN THE U.S. AND PHILIPPINES SHALL, WITHIN FOUR (4) DAYS AFTER DEPARTURE OF THE VESSEL FROM THE U.S. (IN CASE OF EXPORTS) AND WITHIN FOUR (4) DAYS AFTER ARRIVAL IN THE U.S. (IN CASES OF IMPORTS), FILE WITH THE FMC A COMPLETE MANIFEST OF ALL SUCH CARGO. MANIFESTS TO SHOW FOR EACH SHIPMENT THE ORIGIN, DESTINATION, QUANTITY, DESCRIPTION OF CARGOES, MARKS AND NUMBERS THEREOF, TYPE OF PACKAGE, CIF VALUE, AND SEPARATE STATEMENT OF OCEAN PORTION OF THE COSTS AND ARRASTRE CHARGES IN PHILIPPINE PORTS. AS PROVIDED TO THE DEPARTMENT, THE FMC'S ORDER ALSO WILL REQUIRE THE PHILIPPINE SHIPOWNERS, AT THE TIME THEY FILE THESE MANIFESTS, TO PAY AN EQUALIZATION FEE EQUAL TO A PERCENTAGE OF THE SUM OF THE OCEAN FREIGHT COSTS AND ARRASTRE CHARGES IN PHILIPPINE PORTS OF CARGOES INCLUDED IN THESE MANIFESTS. THE FMC STAFF WILL SELECT THIS PERCENTAGE SO AS TO NEGATE THE TAX BENEFITS SHIPPERS HAVE RECEIVED FROM PD 667. DEPARTMENT WILL PROVIDE FURTHER INFORMATION ON THE DETAILS OF THESE PROVISIONS TO EMBASSY MANILA AS SOON AS THEY ARE AVAILABLE.

4. ACTION REQUESTED. EMBASSY MANILA INFORM GOP OF FMC'S OFFICIAL REQUEST AND ITS 60-DAY DEADLINE FOR DIPLOMATIC RESOLUTION OF THIS MATTER AND REPORT GOP'S LIMITED OFFICIAL USE

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PAGE 04 STATE 194250

REACTION. SISCO

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Message Attributes

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Margaret P. Grafeld
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Type: TE
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